



DEPARTMENT OF COMMERCE

International Trade Administration

A-570-036

Certain Biaxial Integral Geogrid Products From the People's Republic of China: Affirmative Preliminary Determination of Sales at Less Than Fair Value, Affirmative Determination of Critical Circumstances, in Part, and Postponement of Final Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce ("Department") preliminarily determines that certain biaxial integral geogrid products ("geogrids") from the People's Republic of China ("PRC") are being, or are likely to be, sold in the United States at less than fair value ("LTFV"). The period of investigation ("POI") is July 1, 2015, through December 31, 2015. The estimated weighted-average dumping margins are shown in the "Preliminary Determination" section of this notice. Interested parties are invited to comment on this preliminary determination.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Susan Pulongbarit or Julia Hancock, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4031 or (202) 482-1394, respectively.

SUPPLEMENTARY INFORMATION:

Background

The Department published the notice of initiation of this investigation on February 16, 2016.¹ For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum, which is dated concurrently with this determination and hereby adopted by this notice.² A list of topics included in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

Scope of the Investigation

The product covered by this investigation is geogrids from the PRC. For a full description of the scope of this investigation, *see* the "Scope of the Investigation," in Appendix I.

¹ *See Certain Biaxial Integral Geogrid Products From the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 81 FR 7755 (February 16, 2016) ("Initiation Notice").

² *See* Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance "Decision Memorandum for the Preliminary Determination in the Antidumping Duty Investigation of Certain Biaxial Integral Geogrid Products from the People's Republic of China," dated concurrently with and hereby adopted by this notice ("Preliminary Decision Memorandum").

Scope Comments

In accordance with the preamble to the Department's regulations,³ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁴ Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*, as well as additional language proposed by the Department. For a summary of the product coverage comments and rebuttal responses submitted to the record for this preliminary determination, and accompanying discussion and analysis of all comments timely received, *see* the Preliminary Decision Memorandum.⁵ The Department is preliminarily modifying the scope language as it appeared in the *Initiation Notice* to clarify the definition of the term "molecular orientation" as it relates to geogrids covered by the scope of this investigation. *See* "Scope of the Investigation," in Appendix I, which includes the additional clarifying language.

Methodology

The Department is conducting this investigation in accordance with section 731 of the Tariff Act of 1930, as amended ("the Act"). We calculated export prices in accordance with section 772(a) of the Act. Because the PRC is a non-market economy within the meaning of section 771(18) of the Act, we calculated normal value ("NV") in accordance with section 773(c) of the Act. For a full description of the methodology underlying our preliminary conclusions, *see* the Preliminary Decision Memorandum.

Preliminary Affirmative Determination of Critical Circumstances, In Part

On May 2, 2016, Petitioner timely filed an amendment to the Petition, pursuant to section 733(e)(1) of the Act and 19 CFR 351.206(c)(2)(i), alleging that critical circumstances exist with

³ *See Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997).

⁴ *See Initiation Notice*, 80 FR at 37229.

respect to imports of the merchandise under consideration.⁶ We preliminarily determine that critical circumstances exist for Taian Modern⁷ and the PRC-wide entity. However, for BOSTD,⁸ we preliminarily determine that critical circumstances do not exist. For a full description of the methodology and results of our analysis, *see* the Preliminary Decision Memorandum.

Combination Rates

In the *Initiation Notice*, the Department stated that it would calculate combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.⁹

Preliminary Determination

The Department preliminarily determines that the following weighted-average dumping margins exist:

| Exporter | Producer | Weighted-Average Dumping Margin (Percent) |
|----------------------------------|----------------------------------|---|
| BOSTD Geosynthetics Qingdao Ltd. | BOSTD Geosynthetics Qingdao Ltd. | 00.00 |
| Taian Modern Plastic Co., Ltd. | Taian Modern Plastic Co., Ltd. | 38.92 |
| PRC-Wide Entity | | 66.74 |

⁵ See Preliminary Decision Memorandum.

⁶ See Letter from Petitioner, “Amendment to Petition for the Imposition of Antidumping and Countervailing Duties: Biaxial Integral Geogrid Products from the People’s Republic of China” (May 2, 2016) (“CC Allegation”).

⁷ Taian Modern Plastic Co., Ltd. (“Taian Modern”).

⁸ BOSTD Geosynthetics Qingdao Ltd. (“BOSTD”).

⁹ See Enforcement and Compliance’s Policy Bulletin No. 05.1, regarding, “Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries,” (April 5, 2005) (Policy Bulletin 05.1), available on the Department’s Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of geogrids from the PRC as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register* except for those produced and exported by BOSTD. Because the estimated preliminary weighted-average dumping margin for BOSTD is zero, we are not directing CBP to suspend liquidation of entries of the merchandise it produced and exported.

Section 733(e)(2) of the Act provides that, given an affirmative determination of critical circumstances, any suspension of liquidation shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the later of (a) the date which is 90 days before the date on which the suspension of liquidation was first ordered, or (b) the date on which notice of initiation of the investigation was published. We preliminarily find that critical circumstances exist for imports of geogrids from the PRC produced or exported by Taian Modern and the PRC-wide entity. Accordingly, for Taian Modern and the PRC-wide entity, in accordance with section 733(e)(2)(A) of the Act, the suspension of liquidation shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the publication of this notice.

Pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), the Department will instruct CBP to require a cash deposit¹⁰ equal to the weighted-average amount by which the NV exceeds U.S. price as follows: (1) the cash deposit rate for the exporter/producer combination listed in the table above will be the rate identified for that combination in the table; (2) for all

¹⁰ See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

combinations of PRC exporters/producers of merchandise under consideration that have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate established for the PRC-wide entity, 66.74 percent; and (3) for all non-PRC exporters of the merchandise under consideration which have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter. These suspension of liquidation instructions will remain in effect until further notice.

We normally adjust antidumping duty cash deposit rates by the amount of export subsidies, where appropriate. In the companion CVD investigation, we preliminarily found that Taian Modern did not receive export subsidies. Therefore, no offset to Taian Modern's cash deposit rates for export subsidies is necessary.¹¹ With respect to BOSTD, because it is receiving a zero margin, there is no cash deposit rate for BOSTD and therefore no need to make an offset to its' cash deposit rate.¹² For the PRC-wide entity, which received an adverse facts available rate based on information contained in the Petition, as an extension of the adverse inference found necessary pursuant to section 776(b) of the Act, the Department has adjusted the PRC-wide entity's AD cash deposit rate by the lowest export subsidy rate determined for any party in the companion CVD proceeding.¹³ Here, that rate is zero and thus, no adjustment is necessary for the PRC-wide rate.^{14, 15}

¹¹ See *Countervailing Duty Investigation of Certain Biaxial Integral Geogrid Products From the People's Republic of China: Preliminary Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 81 FR 4292 (June 24, 2016) and accompanying Preliminary Decision Memorandum ("Geogrids CVD Preliminary Determination") (unchanged in *Certain Biaxial Integral Geogrid Products From the People's Republic of China: Amended Preliminary Results of Countervailing Duty Investigation*, 81 FR 48384 (July 25, 2016) ("Geogrids Amended CVD Preliminary Determination")).

¹² See *Aluminum Extrusions From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Rescission, in Part; 2013-2014*, 80 FR 32347 (June 8, 2015) unchanged at *Aluminum Extrusions From the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2013-2014*, 80 FR 75060 (December 1, 2015).

¹³ See, e.g., *Certain Passenger Vehicle and Light Truck Tires From the People's Republic of China: Preliminary*

Pursuant to section 777A(f) of the Act, we normally adjust preliminary cash deposit rates for estimated domestic subsidy pass-through, where appropriate. However, in this case there is no basis to grant a domestic subsidy pass-through adjustment. *See* Preliminary Decision Memorandum.

Disclosure and Public Comment

We intend to disclose the calculations performed to interested parties in this proceeding within five days of the date of announcement of this preliminary determination in accordance with 19 CFR 351.224(b). Interested parties may submit case briefs, rebuttal briefs, and hearing requests.¹⁶ For a schedule of the deadlines for filing case briefs, rebuttal briefs, and hearing requests, *see* the Preliminary Decision Memorandum at Section IX.

Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by Petitioners. 19 CFR 351.210(e)(2) requires that requests by respondents for postponement of a

Determination of Sales at Less Than Fair Value; Preliminary Affirmative Determination of Critical Circumstances; In Part and Postponement of Final Determination, 80 FR 4250 (January 27, 2015), and accompanying Issues and Decision Memorandum at 35.

¹⁴ *Id.*

¹⁵ *See Drawn Stainless Steel Sinks from the People's Republic of China: Antidumping Duty Investigation*, 77 FR 60673 (October 4, 2012) ("unchanged in *Drawn Stainless Steel Sinks from the People's Republic of China: Investigation, Final Determination*, 78 FR 13019 (February 26, 2013). Because the lowest export subsidy rate determined for any party in the companion CVD investigation, which is 0.00 percent for Taian Modern, the Department is not adjusting the cash deposit rate applicable to the PRC-wide entity. *See Geogrids CVD Preliminary Determination* at 31-2 (Foreign Trade Promotion Fund section).

¹⁶ *See* 19 CFR 351.309(c)-(d), 19 CFR 351.310(c).

final antidumping determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

On July 11, 2016, pursuant to 19 CFR 351.210(b) and (e), Taian Modern requested that, contingent upon an affirmative preliminary determination of sales at LTFV, the Department postpone the final determination and that provisional measures be extended to a period not to exceed six months.¹⁷

In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because (1) our preliminary determination is affirmative; (2) the requesting exporters account for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, we are postponing the final determination and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, we will make our final determination no later than 120 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act.¹⁸

International Trade Commission (ITC) Notification

In accordance with section 733(f) of the Act, we will notify the ITC of our affirmative preliminary determination of sales at LTFV. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

¹⁷ See Letter to the Secretary of Commerce from Taian Modern Plastic Co., Ltd., “Certain Biaxial Integral Geogrid Products from the People’s Republic of China: Request to Extend Final Determination” (July 11, 2016).

¹⁸ See also 19 CFR 351.210(e).

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

Dated: August 16, 2016.

Appendix I

Scope of the Investigation

The products covered by the scope are certain biaxial integral geogrid products. Biaxial integral geogrid products are a polymer grid or mesh material (whether or not finished, slit, cut-to-length, attached to woven or non-woven fabric or sheet material, or packaged) in which four-sided openings in the form of squares, rectangles, rhomboids, diamonds, or other four-sided figures predominate. The products covered have integral strands that have been stretched to induce molecular orientation into the material (as evidenced by the strands being thinner in width toward the middle between the junctions than at the junctions themselves) constituting the sides of the openings and integral junctions where the strands intersect. The scope includes products in which four-sided figures predominate whether or not they also contain additional strands intersecting the four-sided figures and whether or not the inside corners of the four-sided figures are rounded off or not sharp angles. As used herein, the term “integral” refers to strands and junctions that are homogenous with each other. The products covered have a tensile strength of greater than 5 kilonewtons per meter (“kN/m”) according to American Society for Testing and Materials (“ASTM”) Standard Test Method D6637/D6637M in any direction and average overall flexural stiffness of more than 100,000 milligram-centimeter according to the ASTM D7748/D7748M Standard Test Method for Flexural Rigidity of Geogrids, Geotextiles and Related Products, or other equivalent test method standards.

Subject merchandise includes material matching the above description that has been finished, packaged, or otherwise further processed in a third country, including by trimming, slitting, coating, cutting, punching holes, stretching, attaching to woven or non-woven fabric or sheet material, or any other finishing, packaging, or other further processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the biaxial integral geogrid.

The products subject to the scope are currently classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) under the following subheading: 3926.90.9995. Subject merchandise may also enter under subheadings 3920.20.0050 and 3925.90.0000. The HTSUS subheadings set forth above are provided for convenience and U.S. Customs purposes only. The written description of the scope is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum:

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